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NEA FOR FO AND NEA/IPA; NSC FOR SHAPIRO AND KUMAR

E.O. 12958: DECL: 05/14/2019  
TAGS: [PREL](#) [PGOV](#) [KPAL](#) [IS](#) [EG](#)  
SUBJECT: EGYPT TO HOST FIFTH ROUND OF INTRA-PALESTINIAN  
NEGOTIATIONS

Classified By: COUNSELOR CATHERINE HILL-HERNDON  
REASONS: 1.4 (B) and (D)

11. (C) Key points:

-- The Egyptians will host the fifth round of negotiations between the Palestinian factions beginning May 16 in Cairo. MFA Director for Palestinian Affairs Yasser Osman told us May 13 that he was not optimistic an agreement will be reached on a consensus PA government or major underlying issues.

-- Osman did not expect Hamas to boycott the talks because of PA President Abbas' plan to swear in a new interim government, but assessed that Hamas may harden its negotiating stance. He told us that the Egyptians want the reconciliation process to continue, because it allows Cairo to maintain a channel to Hamas, and ensures stable Egypt-Hamas relations.

-- Osman assessed that the current sticking points in the Palestinian negotiations are on security arrangements in Gaza and agreement on an electoral framework for the planned January 2010 elections.

-- Osman told us that the Egyptian embassy in Damascus has reported that Syria, Iran and Damascus-based Hamas leaders are in "no hurry" to finalize Palestinian reconciliation.

12. (C) MFA Director for Palestinian Affairs Yasser Osman told us May 13 that the Egyptian Intelligence Service (EGIS) will host the fifth round of intra-Palestinian talks May 16 in Cairo. He said that the GOE had consulted with PA President Abbas on how to avoid any negative "spillover" on the planned talks from PA plans to swear in a new government. Osman assessed that Hamas would not boycott the talks, but may "harden its stance" as a result of Abbas' plan.

13. (C) Osman said that the GOE is "realistic" over its expectations, and that he does not foresee a breakthrough in the coming days. He told us that the Egyptian embassy in Damascus had reported that Hamas leadership there, along with Syria and Iran, are in "no hurry" to see the talks succeed, or for that matter, fail. He assessed that Fatah is taking the same view. As for Egypt, Osman said that the GOE will seek to maintain the intra-Palestinian reconciliation process and prevent an overt breakdown, if for no other reason than to maintain reasonable relations, and a channel, with Hamas. Also, Osman said that regional diplomatic competitors (e.g. Qatar) cannot be allowed to "take the Palestinian file" from the Egyptians. An outright failure of the talks would lead to an Arab League meeting, at which the Syria-Qatar block would no doubt try to establish a new process outside of Cairo to address Palestinian reconciliation.

14. (C) Osman said that the two current areas of contention are security and the electoral framework. On security, he said that Egypt supports the idea of a 10,000 man "joint PA force" for Gaza. Hamas, however, is pressing to maintain the

status quo through the planned January 2010 elections. Osman said that would be disastrous to prospects for a fair election in Gaza. On the electoral framework, Osman said that Hamas is arguing for 60 percent of the election to be based on a proportional system, with 40 percent via a district electoral mechanism. Fatah seeks 80 percent from the proportional system. Osman said the Egyptians are trying to reach a compromise in the range of a 65 (proportional) 35 (district) split, but he personally did not expect Fatah to agree.

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